

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
June 13, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 13, 2013, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway with videoconferencing in SERS Chicago Office.

Committee members present:

Loren Iglarsh, Chairperson
Timothy Blair, Executive Secretary
Lori Laidlaw, Vice Chairperson

Others Present:

Michelle P. Clatfelter, Attorney
Steve Bochenek, Attorney
Kathy Yemm, Manager, Claims Division
Michael Noblet, Supervisor, Pensions & Deaths Section
Don Williams, Supervisor, Disability Section
Kerry Walker, Assistant Supervisor, Disability Section
Cory Mitchelle, Assistant Supervisor, Pensions & Deaths Section

Minutes of the Previous Meeting

The minutes of the May 9, 2013 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Secretary Blair seconded by Vice Chairperson Laidlaw and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of May, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of May, 2013, as prepared by staff was received by the Executive Committee.

Old Business

Phillip J. Saupe

Pension/Reciprocal

On June 1, 2012, Mr. Saupe retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and State Universities Retirement System (SURS).

Based upon a review of the file and information submitted, the Executive Committee finds Phillip Saupe is receiving a retirement annuity as of June 1, 2012 and during the application process for his retirement annuity, he indicated he wanted to retire under the reciprocal option.

Mr. Saupe was initially paid \$5,883.76. After the reciprocal exchange was complete it was determined a proportional reduction was necessary because his combined benefits exceeded the 80% maximum. His benefit from SERS was reduced to \$5,491.01.

In a letter dated November 9, 2012, Mr. Saupe sent in a written request to appear before the Executive Committee to appeal the reduction of his SERS pension.

Mr. Phillip J. Saupe along with his friend, Mr. Bruce Bialorucki, appeared before the Committee during the December 6, 2012 meeting. A personal hearing was accomplished and a record of this hearing has been made a part of the member's file.

He stated he doesn't believe that he made any errors and that he should not be punished for our errors.

Following a review of the file and some discussion, the Committee has recommended that the appeal of Phillip J. Saupe be deferred so that the Supervisor of the Pension Section can contact the SURS office to verify that Mr. Saupe could change his retirement within the provisions of the law. He also wants to transfer creditable service to SERS under the provisions of SB65 providing the Police Funds of Benton and Mt. Vernon approve the repayment and transfer under the provisions of SB65.

The Pension Section Supervisor reported that the Police Fund of Benton did not approve the request of Mr. Saupe to purchase his time in their fund and therefore Mr. Saupe was not able to get to 30 years which would enable him to draw an immediate pension from SURS. The Committee directed the Pension Section Supervisor to contact Mr. Saupe to find out if he wanted to withdraw his appeal.

Bobby Gray

Survivor Refund

Bobby Gray is currently a deferred retiree with a pension effective date of May 1, 2013.

Based upon a review of the file and information submitted, the Executive Committee finds Bobby Gray is in a deferred status. Also noted is his retirement application dated October 5, 2011 indicated he had two (2) sons as dependent children.

In his appeal letter, Mr. Gray has indicated at the time the application was completed he had two (2) children as full time students and is now requesting a refund of his widow/survivor benefit.

Based upon the facts of this case and the information submitted, the Executive Committee has recommended deferring the request for further research.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to defer the appeal of Bobby Gray at the May 2013 Executive Committee Meeting. Secretary Blair seconded the motion, and all were in favor.

Based on legal interpretation and following discussion, on motion by Vice Chairperson Laidlaw, seconded by Secretary Blair, and by unanimous vote, the appeal of Bobby Gray is denied.

New Business

David Young Occupational Disability/12months

David Young works for a state agency and a service connected leave of absence was granted.

Mr. Young's claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds David Young works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, Therefore the application was denied.

Mr. Young requested a written appeal pursuant to the denial of disability benefits due to late filing. Information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, Vice Chairperson Laidlaw moved approval of the appeal of David Young for a waiver of the twelve month filing limitation for occupational disability. Chairman Iglarsh seconded the motion, and all were in favor.

Diane Summers Temporary Disability/12 months

Ms. Summers works for a state agency and a service connected leave of absence was granted.

Ms. Summers' claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Diane Summers works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, Therefore the application was denied.

Ms. Summers requested a written appeal pursuant to the denial of disability benefits due to late filing. Information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, Vice Chairperson Laidlaw moved approval of the appeal of Diane Summers for a waiver of the twelve month filing limitation for occupational disability. Chairman Iglarsh seconded the motion, and all were in favor.

Timothy Erno Occupational Disability/12 month

Mr. Erno works for a state agency and a service connected leave of absence was granted.

Mr. Erno's claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Timothy Erno works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, Therefore the application was denied.

Mr. Erno requested a written appeal pursuant to the denial of disability benefits due to late filing. Information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, Chairman Iglarsh moved approval of the appeal of Timothy Erno for a waiver of the twelve month filing limitation for occupational disability. Secretary Blair seconded the motion. Vice Chairperson Lori Laidlaw abstained from the vote.

Jann Zerrenner

Pension/Overpayment

Ms. Zerrenner is receiving a retirement annuity from the SERS and Cook County with a retirement date of November 1, 2012.

SERS completed a final certification in April, 2013. Ms. Zerrenner's pension was over the maximum amount allowed by both systems. A proportional reduction was calculated and her pension was reduced. This created an overpayment from November 1, 2012 thru April 30, 2013.

Based upon a review of the file and information submitted, the Executive Committee finds Jann Zerrenner is receiving a retirement annuity as of November 1, 2012.

Ms. Zerrenner submitted in a written appeal that she believes she should not have to repay this overpayment because it occurred six months after her retirement.

After discussion, the Executive Committee recommended denial of the written appeal of Jann Zerrenner to waive the overpayment of pension benefits.

Following a review of the file and some discussion, Secretary Blair moved that the appeal of Jann Zerrenner be denied. Chairman Iglarsh seconded the motion, and all were in favor.

Beverly Stephens

Pension/Level Income

Beverly Stephens is currently receiving a retirement annuity from the System.

Based upon a review of the file and information submitted, the Executive Committee finds Beverly Stephens began receiving a retirement annuity as of June 1, 2001. During the application process for her retirement annuity she elected to participate in the level income option age 66.

During the application process for her retirement annuity, she indicated she wanted to retire under the level income option. Ms. Stephens was notified by mail in accordance with the election at the time of retirement that her benefit would be reduced starting March 1, 2013 per her request on the pension application (age 66).

The office received a written appeal request from Ms. Stephens dated May 7, 2013, stating she does not understand why she has to lose such a large amount and had not realized her pension check would go down by \$1,158.00..

Beverly Stephens stated she wants the amount that was reduced for level income added back onto her pension check. She also states she is unable to repay the amount that was added onto her pension payment from the level income option.

After discussion, the Executive Committee recommended denial of Beverly Stephens' appeal to remain on level income.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to deny the appeal of Beverly Stephens to let her remain on level income, Chairman Iglarsh seconded the motion, and all were in favor.

Jon Larson Pension/Reversionary Annuity Request
Jon Larson is currently receiving a retirement annuity from the System.

Mr. Larson retired effective September 30, 2012 and started drawing his pension October 1, 2012. His pension was processed without the reversionary annuity option.

Based on a review of the file and information submitted, the Committee finds Jon Larson worked for a state agency and retired effective September 30, 2012.

Mr. Larson and his former Human Resource Rep sent in a written request to have Mr. Larson's pension changed so that he be allowed to participate in the reversionary annuity option, it was his intention to do so at the time of retirement and thought it had been done by his representative who still had the completed form.

Based on the facts of this case and information submitted, the Committee recommends approving Jon Larson's appeal to amend his pension application.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved that the appeal of Mr. Jon Larson be approved. Chairman Iglarsh seconded the motion, and all were in favor.

Denise Hardin/Deceased Survivor Benefit/Beneficiary Verification
Ms. Denise Hardin passed on January 3, 2013. She was an active state employee at the time of her death.

There are two named beneficiaries (her children) listed on the "Member's Nomination of Beneficiary for Death Benefits" form number 101. However, the form was altered in the designation portion of the form and should have been returned for clarification and a new form completed. It was noted on a previous form completed by Ms. Hardin that she listed her son as a nephew.

The Executive Committee has instructed the Pension & Death Section, to hold out paying the death benefit to see if the two named beneficiaries will agree on the distribution; if not, SERS will need to interplead the case.

Michael Schneider COLA
Michael Schneider retired effective August 1, 2008 from the Illinois State Police at age 51 years 6 months.

Based upon a review of the file and information submitted, the Executive Committee finds Michael Schneider is receiving a retirement annuity as of August 1, 2008.

Mr. Schneider turned 55 on January 1, 2013 and has not received a cost of living increase. He is asking to receive the cost of living increase effective January 1, 2013.

Executive Secretary Blair reviewed the law which states in part “if you retired under the alternative formula, you will receive a 3% increase to your pension on January 1 following your first full year of retirement or age 55, whichever is later.” As Mr. Schneider’s 55th birthday falls on January 1, 2013, he is not eligible for the cost of living increase until January 1, 2014.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the re-appeal of Michael Schneider to start his COLA. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Terry Kikendall Pension/Non-occupational Disability

Terry Kikendall retired from State service on December 31, 2012, after waiving her disability.

Based upon a review of the file and information submitted, the Committee finds Ms. Kikendall waived her disability to start her pension on January 1, 2013..

In a fax dated June 7, 2013, Ms. Kikendall requested to return to her disability leave until the limitation is completed on April 30, 2013.

After discussion, the Committee recommended denial of the appeal of Ms. Terry Kikendall to revoke her pension and return to disability.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved that the appeal be denied. Secretary Blair seconded the motion, and all were in favor.

Elizabeth Howlett-Bogie Write Off

This account became eligible for write-off in June, 2006. Contributions in the amount of \$503.16 and widow and survivors in the amount of \$62.86 and 17 months of creditable service were written off on June 23, 2006. Elizabeth Howlett Bogie has contacted us regarding her account and eligibility for a pension.

The Service and Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a future pension may be paid.

Following a review of the file and some discussion, Secretary Blair moved approval of the appeal of Elizabeth Howlett Bogie request for reinstatement of her account. Chairman Iglarsh seconded the motion and all were in favor.

Daniel Nathan Service/Purchase Service Credit

Mr. Nathan applied for his pension under the reciprocal provisions of the law. However, he will not be eligible for his pension with SERS until July 1, 2014.

Based upon a review of the file and information submitted, the Executive Committee finds Daniel Nathan applied for retirement under the Reciprocal Act to begin July 1, 2014.

Mr. Nathan is requesting to purchase his qualifying period, even though he is a deferred retiree.

After a review of the file and some discussion the Committee recommended approving the appeal of Mr. Daniel Nathan.

Vice Chairperson Laidlaw moved that the appeal be approved. Chairman Iglarsh seconded the motion. Secretary Blair abstained from the vote.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:00A.M.

The next meeting of the Executive Committee is scheduled for Thursday July 11, 2013, in the Springfield office, with video conferencing in Chicago if needed.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary